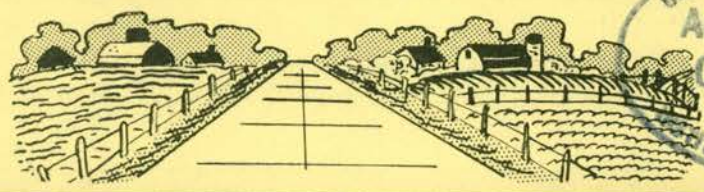


Misc (3)
AHEAD for

Minnesota Farmers



OIL CROPS

AGRICULTURAL EXTENSION SERVICE • UNIVERSITY OF MINNESOTA • INSTITUTE OF AGRICULTURE

(2)
AT A GLANCE:

(1)
Soybean production for the nation is forecast at 683 million bushels based on August 1 conditions. This is a record crop and 22% above last year. Carryover supplies, lowest in recent years, will be built up. A price support loan rate of \$2.30 per bushel, will result in more farmers participating in the CCC price support program than last year, when prices were above support.

SITUATION

OUTLOOK

- Total soybean crushings for the 1960-61 year may reach 405 million bushels compared with 393 million bushels last year (see table). This increased production has resulted from a strong domestic and export demand for edible oils, a high rate of feeding of protein feeds, and the 45¢ per bushel increase in price supports announced last spring.
- Soybean exports are now running slightly behind last year. The P.L. 480 program shipments of edible oils during 1960-61 are accounting for a somewhat smaller share of oil exports than a year ago.
- Soybean oil prices (crude, Decatur) rose from the monthly average of 9.4¢ per pound in October 1960 to a seasonal peak of 13.3¢ a pound in April, then declined to 10.8¢ in July but rose slightly since.
- Soybean meal prices (bulk, Decatur) went up sharply from \$44.50 per ton in November 1960 to a seasonal peak of \$73.10 in April 1961, dropped to \$63.85 in June, then strengthened again.
- The total 1961-62 supply of soybeans, estimated at 688 million bushels, is up 105 million bushels from a year ago.
- The USDA announced in early August that the minimum sales price for any soybeans acquired by CCC next summer from the 1961 crop would be the county support rate plus 16.5¢ per bushel.

- Carryover for the 1961-62 year is to be the lowest in recent years. Favorable prices will result in more new crop beans being crushed by October 1 this year than last.
- The actual level of exports will depend upon the timing of the movement (dollar) of sales of soybean oil to Spain scheduled for this year, and purchases of both soybeans and oil by Western Europe, Japan and Canada.
- The support price of \$2.30 per bushel will prevent prices from dropping to last year's level during the fall. A strong demand for food fats is expected to continue into the 1961-62 marketing year.
- The record 1961 crop and crushings will probably cause meal prices to decline seasonally this fall.
- A buildup in year ending stocks on September 30, 1962, mainly in beans, may be expected but will not be as large as the 62 million bushels on that date in 1959.
- Soybean producer participation in the CCC price support program will be greater than last year because of the sharp increase in the supply of soybeans.

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The 1961 flaxseed production is estimated to be 36% below last year, a little more than one-half of the ten-year average, and the smallest since 1938. The United States has no exportable surplus this year since the current crop is about equal to requirements for crushing. Because of the close balance between supply and demand, prices to flaxseed growers are expected to average somewhat higher than the 1961 support price of \$2.80 per bushel.

Table 1. Soybeans: Supply and Disposition, Crop Years, 1955-61

	1955	1956	1957	1958	1959	1960*	1961**
	(million bushels)						
<u>Supply</u>							
Stocks, October 1	9.9	3.7	9.9	21.1	62.1	23.2	5
Production	373.5	449.4	483.7	580.2	533.2	558.8	683
Total Supply	<u>383.5</u>	<u>453.2</u>	<u>493.6</u>	<u>601.3</u>	<u>595.3</u>	<u>582.0</u>	<u>688</u>
<u>Disposition</u>							
Seed, feed and residual	29.2	42.0	33.2	27.9	37.2	37	
October-July:							
Crushings	241.5	268.3	297.1	344.1	334.5	349	
Exports	62.9	73.0	77.4	98.2	119.2	120	
August 1, supply remaining	49.9	69.9	85.9	131.1	104.1	76	
August-September:							
Crushings	41.6	47.6	56.7	57.1	58.9	56	
Exports	4.6	12.4	8.1	11.9	21.9	15	
<u>Season Totals</u>							
Crushings	283.1	315.9	353.8	401.2	393.4	405	
Exports	67.5	85.4	85.5	110.1	141.1	135	
<u>Ending Stocks</u>							
Commercial	3.7	4.7	7.2	4.2	13.5	5	
Beseal	-----	-----	-----	13.7	-----	-----	
CCC	***	5.2	13.9	44.2	9.7		
Total	<u>3.7</u>	<u>9.9</u>	<u>21.1</u>	<u>62.4</u>	<u>23.2</u>	<u>5</u>	
	(dollars)						
<u>Price per bushel</u>							
Support	2.04	2.15	2.09	2.09	1.85	1.85	2.30
Received by farmers	2.22	2.18	2.07	2.00	1.96	2.21 [†]	

* October-July is partly estimated. Disposition through the rest of the crop year is forecast.

** Forecast. *** Less than 50,000 bushels. [†] Preliminary.

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